

AMENDED IN SENATE APRIL 1, 2009

**SENATE BILL**

**No. 376**

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**Introduced by Senator Simitian**

February 26, 2009

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An act to ~~amend Section 25303 of,~~ to add Section 21090.2 to, and to add Chapter 3.5 (commencing with Section 25250) to Division 15 of, the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 376, as amended, Simitian. Energy: State Energy Resources Conservation and Development Commission: natural gas.

(1) The Warren-Alquist State Energy Resources Conservation and Development Act (act) establishes the State Energy Resources Conservation and Development Commission (Energy Commission) and requires the commission to prepare a biennial integrated energy policy report containing specified information related to major energy trends and issues facing the state, as well as a biennial energy policy review. The act requires the commission to certify sufficient sites and related facilities that are required to provide a supply of electricity sufficient to accommodate projected demand for power statewide.

~~This bill would enact the Liquefied Natural Gas Market Assessment Act and would require the Energy Commission, in consultation with affected state agencies, including, but not limited to, the Public Utilities Commission, the State Air Resources Board, the State Lands Commission, the Department of Water Resources, and the California Coastal Commission, to adopt and submit to the Legislature and the Governor, on or before July 1, 2011, the Liquefied Natural Gas Market Assessment Report of 2011 that would be incorporated into the integrated energy policy report of 2009 and would contain specified~~

information. The Energy Commission would be required to prepare a draft report, on or before April 1, 2011, to solicit public comments in the preparation of the report, and to hold 2 public hearings, one in Los Angeles and the other in the San Francisco Bay area, to consider the results of the liquefied natural gas needs assessment study and to provide an opportunity for public comment. The Energy Commission would be required to include a Liquefied Natural Gas Market Assessment Report in every integrated energy policy report adopted after January 1, 2011.

The Governor, or a state or local entity would be prohibited from approving the construction or operation of an onshore or offshore liquefied natural gas terminal in California until the Liquefied Natural Gas Market Assessment Report of 2011 has been issued and becomes final and all appeals have been exhausted, or November 1, 2011, whichever is earlier. By requiring a local official to determine whether the report has been adopted, the bill would increase the level of service provided by a local agency, thereby imposing a state-mandated local program.

*This bill would enact the Liquefied Natural Gas Market Assessment Act and would require the Energy Commission, as a component of the integrated energy policy report, to conduct a study of the need for liquefied natural gas imports to meet the state's energy demand. The bill would also require the Energy Commission, prior to a permit being issued by the State Lands Commission or the California Coastal Commission to license a liquefied natural gas facility on the California coast, to complete a liquefied natural gas assessment report as part of the integrated energy policy report, containing specified information.*

The bill would require a liquefied natural gas terminal project applicant to include in the application evidence that it has consulted with the United States Department of Defense and its impacted service components. For a project involving the construction or operation of a liquefied natural gas terminal that has not received a permit to operate for which an application submitted to the Federal Energy Regulatory Commission (FERC) or the United States Maritime Administration has not been deemed data adequate on or before January 1, 2010, and the application is being processed for further action by the FERC or the United States Maritime Administration, an environmental impact report prepared for that project by a lead agency would be required to contain specified information. By requiring a local agency to prepare an environmental impact report that contains specified information, the

bill would increase the level of service provided by a local agency, thereby imposing a state-mandated local program.

The Energy Commission would be required on or before ~~March 31, July 1, 2010~~, to create a matrix on its Internet Web site containing information related to the construction and operation of a liquefied natural gas terminal project, and quarterly updates would be required.

~~(2) The act requires the Energy Commission, as a part of the integrated energy policy report, to conduct electricity and natural gas forecasting assessment activities.~~

~~This bill would, in addition, require the Energy Commission to include an assessment of California's ability to meet its conservation, energy efficiency, and renewable energy goals and an evaluation of the global energy markets.~~

~~(3)~~

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) The state has a critical role in decisions regarding the siting  
4 and design of new onshore and offshore infrastructure for the  
5 importation of liquefied natural gas with regard to public health,  
6 safety, and the environment.

7 (b) California has a rich history of innovative and strong  
8 environmental laws and should continue to strive for the best  
9 protections possible.

10 (c) Utilities in California are required to meet new demand  
11 through energy efficiency programs before acquiring other sources  
12 of electricity.

13 (d) Accelerating the use of renewable energy resources wherever  
14 feasible and ensuring a diverse and affordable portfolio of fuel  
15 sources may minimize supply interruptions and increase reliability.

1 (e) Decisions regarding the importation of liquefied natural gas  
2 should be based on a comprehensive review of current and  
3 projected natural gas supply and demand in California.

4 (f) The possible importation of liquefied natural gas should be  
5 reviewed as part of the state's integrated energy policy report,  
6 which contains an overview of major energy trends and issues  
7 facing the state, including supply, demand, and price.

8 SEC. 2. Section 21090.2 is added to the Public Resources Code,  
9 to read:

10 21090.2. (a) In addition to any other requirements under this  
11 division, for a project involving the construction or operation of  
12 an onshore or offshore liquefied natural gas terminal in California  
13 ~~that has not received an approval or a permit to operate by a local,~~  
14 ~~state, or federal agency on or before January 1, 2010, an for which~~  
15 ~~an application submitted to the Federal Energy Regulatory~~  
16 ~~Commission or the United States Maritime Administration has not~~  
17 ~~been deemed data adequate on or before January 1, 2010, and the~~  
18 ~~application is being processed for further action by the Federal~~  
19 ~~Energy Regulatory Commission or the United States Maritime~~  
20 ~~Administration, an environmental impact report shall include all~~  
21 of the following:

22 (1) A comparative analysis of feasible alternative project  
23 technologies pursuant to Section 15126.6 of Title 14 of the  
24 California Code of Regulations.

25 (2) An analysis of potential disproportionately high and adverse  
26 human health or environmental effects on minority and low-income  
27 populations.

28 (3) A full life-cycle analysis of the impacts of greenhouse gases.

29 (b) This section shall not be construed as a limitation on the  
30 power of a public agency to otherwise disapprove the project  
31 pursuant to any other provision of law.

32 (c) This section shall not be construed as a limitation to comply  
33 with any other requirements of this division or any other provision  
34 of law.

35 SEC. 3. Chapter 3.5 (commencing with Section 25250) is added  
36 to Division 15 of the Public Resources Code, to read:

1 CHAPTER 3.5. LIQUEFIED NATURAL GAS MARKET ASSESSMENT  
2 ACT

3  
4 25250. This chapter shall be known and may be cited as the  
5 Liquefied Natural Gas Market Assessment Act.

6 25250.5. For purposes of this chapter, the following definitions  
7 apply:

8 (a) “Liquefied natural gas” or “LNG” means natural gas cooled  
9 to minus 259 degrees Fahrenheit so that it forms a liquid at  
10 approximately atmospheric pressure.

11 (b) “Onshore or offshore liquefied natural gas terminal in  
12 California” means facilities located onshore or offshore in  
13 California, designed to receive liquefied natural gas from  
14 oceangoing vessels, including those facilities required for storage  
15 and regasification of the liquefied natural gas, the marine vessels  
16 associated with these facilities, and any new pipelines, including,  
17 but not limited to, all new pipelines from these offshore or onshore  
18 terminals to shore and facilities necessary ~~or~~ for the transmission  
19 of the regasified natural gas from those facilities, to the point of  
20 interconnection with any existing natural gas transportation or  
21 distribution system.

22 25251. (a) As a component of the integrated energy policy  
23 report of 2009 adopted pursuant to subdivision (a) of Section  
24 25302, the commission shall conduct a study of the need for  
25 liquefied natural gas imports to meet the state’s energy demand at  
26 reasonable prices, which shall be known as the Liquefied Natural  
27 Gas Market Assessment Report of 2011.

28 (b) ~~On or before July 1, 2011, the commission shall complete~~  
29 ~~and submit to the Governor and the Legislature the Liquefied~~  
30 ~~Natural Gas Market Assessment Report of 2011, and shall~~  
31 ~~incorporate the report into the integrated energy policy report of~~  
32 ~~2009 adopted pursuant to subdivision (a) of Section 25302.~~

33 (c) ~~In the preparation of the report, the commission shall consult~~  
34 ~~with affected state agencies including, but not limited to, the State~~  
35 ~~Air Resources Board, the Public Utilities Commission, the State~~  
36 ~~Lands Commission, the Department of Water Resources, and the~~  
37 ~~California Coastal Commission.~~

38 (b) *Prior to a permit being issued by the State Lands*  
39 *Commission or the California Coastal Commission to license a*  
40 *liquefied natural gas facility on the California coast, the*

1 *commission shall complete a liquefied natural gas assessment*  
2 *report as part of the integrated energy policy report.*

3 ~~(d)~~

4 (c) The report shall assess all of the following:

5 (1) The future demand for natural gas in California, including,  
6 but not limited to, natural gas as an alternative transportation fuel.

7 (2) The future supply of natural gas in California available from  
8 domestic production and imported into California through interstate  
9 pipelines, the supply available from domestic production within  
10 California, and the supply available from foreign production and  
11 imported into California through international pipelines from  
12 Mexico and Canada, including any liquefied natural gas terminal  
13 proposed to be built outside the state and the nation that would be  
14 the source of natural gas imported into the state.

15 (3) All supplemental sources of natural gas and natural gas  
16 alternatives that can be reasonably expected to be available to meet  
17 projected energy demand, including, but not limited to,  
18 conservation, energy efficiency programs, and renewable energy  
19 resources.

20 (4) Projections of the price for natural gas under reasonable  
21 supply and demand circumstances.

22 ~~(e)~~

23 (d) The report shall consider the impact of reducing electricity  
24 derived from coal pursuant to Chapter 3 (commencing with Section  
25 8340) of Division 4.1 of the Public Utilities Code, and the potential  
26 of demand reduction opportunities, including, but not limited to,  
27 the upgrading and retrofitting of energy infrastructure, the role of  
28 renewable energy, and greater efficiency in building codes.

29 ~~(f)~~

30 (e) The report shall include an analysis of what impact new  
31 fossil fuel infrastructure will have on mandates on investor owned  
32 utilities under any provision of law, including, but not limited to,  
33 the California Renewables Portfolio Standard Program, Article 16  
34 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of  
35 Division 1 of the Public Utilities Code.

36 ~~(g) (1) On or before April 1, 2011, the commission shall prepare~~  
37 ~~a draft of the report and shall circulate the draft report to the public.~~

38 ~~(2) Between April 15 and May 15, 2011, the commission shall~~  
39 ~~hold two public hearings, one in southern California and one in~~  
40 ~~the San Francisco Bay area. During the public hearings, the~~

1 commission shall accept public comment, testimony, and evidence  
2 on the draft report for the purpose of creating a public record. The  
3 public may submit written evidence to the commission on or before  
4 May 15, 2011.

5 ~~(h) (1) The final Liquefied Natural Gas Market Assessment~~  
6 ~~Report of 2011 shall include a finding based on the entirety of the~~  
7 ~~testimony and evidence submitted pursuant to paragraph (2) of~~  
8 ~~subdivision (g)~~

9 *(f) (1) The commission shall issue a revised integrated energy*  
10 *policy report at least 30 days prior to the hearing conducted by*  
11 *the State Lands Commission or the California Coastal Commission*  
12 *prior to issuing a permit. The report shall include a finding as to*  
13 *whether California and North American natural gas supplies*  
14 *projected as necessary to meet California's energy requirement*  
15 *pursuant to the integrated energy policy report of 2009 can be*  
16 *attained at a reasonable price without the purchase of additional*  
17 *supplies obtained by importing natural gas to an onshore or*  
18 *offshore liquefied natural gas terminal in California.*

19 (2) The finding shall include an analysis of market price, retail  
20 rates, market transparency, projected suppliers, location of  
21 California and North American facilities, and quality of the natural  
22 gas provided, as well as alternative scenarios for supplying  
23 domestic natural gas through existing and planned pipelines,  
24 including opportunities for conservation, efficiency, and renewable  
25 energy.

26 (3) In reaching a finding that California and North American  
27 supplies of natural gas for California markets will be sufficient,  
28 the commission shall conclude, utilizing a substantial evidence  
29 standard and a consideration of price, that energy supplies will be  
30 adequate to meet California's energy needs in an economically  
31 feasible manner.

32 (i)

33 (g) (1) A person who complies with paragraph (2) may  
34 challenge the findings of the ~~Liquefied Natural Gas Market~~  
35 ~~Assessment Report of 2011~~ *liquified natural gas market assessment*  
36 *report* by filing a writ of mandate for review pursuant to Section  
37 25901.

38 (2) To file a writ of mandate pursuant to paragraph (1), an  
39 aggrieved person shall have appeared, in person or through a  
40 representative, at one of the commission's public hearings, in

1 person or in writing, and informed the commission of his or her  
2 concerns, or for good cause have been unable to do either.

3 ~~25252. (a) For an integrated energy policy report adopted~~  
4 ~~pursuant to subdivision (a) of Section 25302 after January 1, 2011,~~  
5 ~~the commission shall include a Liquefied Natural Gas Market~~  
6 ~~Assessment Report as a part of the integrated energy policy report~~  
7 ~~that contains all of the following:~~

8 ~~(1) The assessments specified in subdivision (d) of Section~~  
9 ~~25251.~~

10 ~~(2) The impacts specified in subdivision (e) of Section 25251.~~

11 ~~(3) The analysis specified in subdivision (f) of Section 25251.~~

12 ~~(b) In the preparation of the Liquefied Natural Gas Market~~  
13 ~~Assessment Report, the commission shall consult with affected~~  
14 ~~state agencies, including, but not limited to, the State Air Resources~~  
15 ~~Board, the Public Utilities Commission, the State Lands~~  
16 ~~Commission, the Department of Water Resources, and the~~  
17 ~~California Coastal Commission.~~

18 ~~(c) (1) On or before August 1 of the year in which the~~  
19 ~~commission is required to adopt an integrated energy policy report~~  
20 ~~pursuant to subdivision (a) of Section 25302, the commission shall~~  
21 ~~prepare a draft of the Liquefied Natural Gas Market Assessment~~  
22 ~~Report and shall circulate the draft report to the public.~~

23 ~~(2) Between August 15 and September 15 of the year in which~~  
24 ~~the commission is required to adopt an integrated energy policy~~  
25 ~~report pursuant to subdivision (a) of Section 25302, the commission~~  
26 ~~shall hold two public hearings, one in southern California and one~~  
27 ~~in the San Francisco Bay area. During the public hearings, the~~  
28 ~~commission shall accept public comment, testimony, and evidence~~  
29 ~~on the draft of the Liquefied Natural Gas Market Assessment~~  
30 ~~Report for the purpose of creating a public record. The public may~~  
31 ~~submit written evidence to the commission on or before September~~  
32 ~~15 of that year.~~

33 ~~(d) (1) The final Liquefied Natural Gas Market Assessment~~  
34 ~~Report shall include a finding based on the entirety of the testimony~~  
35 ~~and evidence submitted pursuant to paragraph (2) of subdivision~~  
36 ~~(e) as to whether California and North American natural gas~~  
37 ~~supplies projected as necessary to meet California's energy~~  
38 ~~requirement pursuant to the integrated energy policy report can be~~  
39 ~~attained at a reasonable price without the purchase of additional~~



1 ~~supplies obtained by importing natural gas to an onshore or~~  
2 ~~offshore liquefied natural gas terminal in California.~~

3 ~~(2) The finding shall include an analysis of market price, retail~~  
4 ~~rates, market transparency, projected suppliers, location of~~  
5 ~~California and North American facilities, and quality of the natural~~  
6 ~~gas provided, as well as alternative scenarios for supplying~~  
7 ~~domestic natural gas through existing and planned pipelines,~~  
8 ~~including opportunities for conservation, efficiency, and renewable~~  
9 ~~energy.~~

10 ~~(3) In reaching a finding that California and North American~~  
11 ~~supplies of natural gas for California markets will be sufficient,~~  
12 ~~the commission shall conclude, utilizing a substantial evidence~~  
13 ~~standard and a consideration of price, that energy supplies will be~~  
14 ~~adequate to meet California's energy needs in an economically~~  
15 ~~feasible manner.~~

16 ~~(e) (1) A person who complies with paragraph (2) may~~  
17 ~~challenge the findings of the Liquefied Natural Gas Market~~  
18 ~~Assessment Report by filing a writ of mandate for review pursuant~~  
19 ~~to Section 25901.~~

20 ~~(2) To file a writ of mandate pursuant to paragraph (1), an~~  
21 ~~aggrieved person shall have appeared, in person or through a~~  
22 ~~representative, at one of the commission's public hearings, in~~  
23 ~~person or in writing, and informed the commission of his or her~~  
24 ~~concerns, or for good cause have been unable to do either.~~

25 ~~25253. (a) The Governor, or a state or local entity shall not~~  
26 ~~approve the construction or operation of an onshore or offshore~~  
27 ~~liquefied natural gas terminal in California until the Liquefied~~  
28 ~~Natural Gas Market Assessment Report of 2011 is issued and~~  
29 ~~becomes final and all appeals have been exhausted, or November~~  
30 ~~1, 2011, whichever is earlier.~~

31 ~~(b) Notwithstanding any other provision of law, a state or local~~  
32 ~~permitting agency shall not use this chapter for the purpose of~~  
33 ~~limiting the acceptance, review, or processing of an application~~  
34 ~~for a permit while the Liquefied Natural Gas Assessment Report~~  
35 ~~is pending or while a judicial appeal of the report is pending.~~

36 ~~25254.~~

37 ~~25252. On or before March 31 July 1, 2010, the commission~~  
38 ~~shall create a matrix on its Internet Web site that meets, to the~~  
39 ~~extent that data are publicly available, all of the following~~  
40 ~~requirements:~~

1 (a) The matrix shall be in a format that allows the public to  
2 contrast and compare each liquefied natural gas terminal, either  
3 existing or proposed, that is located onshore or offshore anywhere  
4 in California. The matrix shall also include information from  
5 facilities located in Alaska, Canada, the west coast of the  
6 continental United States, and the west coast of Mexico including  
7 Baja California that may provide natural gas to California.

8 (b) It shall include a summary of environmental impacts,  
9 mitigation measures, and alternatives discussed in the  
10 environmental impact report (EIR) completed for the project, along  
11 with an online link to the EIR. For projects outside the state and  
12 nation a link to an equivalent environmental review document.

13 (c) For each existing and proposed land-based or offshore  
14 liquefied natural gas terminal project, the matrix shall include the  
15 following information: project location, project owner, project  
16 Web site, project contact, project description, average natural gas  
17 production capacity in cubic feet per day, the peak natural gas  
18 production capacity in cubic feet per day, liquefied natural gas and  
19 natural gas storage capacity, if any, the approximate project cost,  
20 projected online date, and the siting process applicable to the  
21 project.

22 (d) The matrix shall be updated as information becomes  
23 available and no less than quarterly and shall include the major  
24 project components and the potential environmental impacts  
25 associated with each land-based and offshore natural gas import  
26 terminal project proposal that has filed an application or has  
27 publicly announced plans to build a land-based or offshore  
28 terminal.

29 (e) The commission shall post a new application for approval  
30 to build and operate a natural gas import terminal in the state to  
31 the matrix within 30 days after the filing of the application.

32 ~~25255.~~

33 25253. An applicant for the construction or operation of a  
34 liquefied natural gas terminal project shall provide evidence in its  
35 application that it has consulted with the United States Department  
36 of Defense and its impacted service components, and include within  
37 the application a description of the consultation with regard to  
38 potential impacts upon national security, including potential  
39 impacts on the land, sea, and airspace identified by the Department  
40 of Defense and its impacted service components, for conducting

1 operations or training, or for the research, development, testing,  
2 and evaluation of weapons, sensors, and tactics.

3 ~~SEC. 4. Section 25303 of the Public Resources Code is~~  
4 ~~amended to read:~~

5 ~~25303. (a) The commission shall conduct electricity and natural~~  
6 ~~gas forecasting and assessment activities to meet the requirements~~  
7 ~~of paragraph (1) of subdivision (a) of Section 25302, including,~~  
8 ~~but not limited to, all of the following:~~

9 ~~(1) Assessment of trends in electricity and natural gas supply~~  
10 ~~and demand and the outlook for wholesale and retail prices for~~  
11 ~~commodity electricity and natural gas under current market~~  
12 ~~structures and expected market conditions, including an assessment~~  
13 ~~of California meeting its conservation, energy efficiency, and~~  
14 ~~renewable energy goals.~~

15 ~~(2) Forecasts of statewide and regional electricity and natural~~  
16 ~~gas demand including annual, seasonal, and peak demand, and the~~  
17 ~~factors leading to projected demand growth, including, but not~~  
18 ~~limited to, projected population growth, urban development,~~  
19 ~~industrial expansion and energy intensity of industries, energy~~  
20 ~~demand for different building types, energy efficiency, and other~~  
21 ~~factors influencing demand for electricity. With respect to~~  
22 ~~long-range forecasts of the demand for natural gas, the report shall~~  
23 ~~include an evaluation of average conditions, as well as best and~~  
24 ~~worst case scenarios, and an evaluation of the impact of the~~  
25 ~~increasing use of renewable resources on natural gas demand.~~

26 ~~(3) Evaluation of the adequacy of electricity and natural gas~~  
27 ~~supplies to meet forecasted demand growth. Assessment of the~~  
28 ~~availability, reliability, and efficiency of the electricity and natural~~  
29 ~~gas infrastructure and systems, including, but not limited to, natural~~  
30 ~~gas production capability both in and out of state, natural gas~~  
31 ~~interstate and intrastate pipeline capacity, storage and use, and~~  
32 ~~western regional and California electricity and transmission system~~  
33 ~~capacity and use.~~

34 ~~(4) Evaluation of potential impacts of electricity and natural gas~~  
35 ~~supply, demand, and infrastructure and resource additions on the~~  
36 ~~electricity and natural gas systems, public health and safety, the~~  
37 ~~economy, resources, and the environment.~~

38 ~~(5) Evaluation of the potential impacts of electricity and natural~~  
39 ~~gas load management efforts, including end-user response to~~

1 market price signals, as a means to ensure reliable operation of  
2 electricity and natural gas systems.

3 ~~(6) Evaluation of whether electricity and natural gas markets~~  
4 ~~are adequately meeting public interest objectives including the~~  
5 ~~provision of all of the following: economic benefits; competitive;~~  
6 ~~low-cost reliable services; customer information and protection;~~  
7 ~~and environmentally sensitive electricity and natural gas supplies.~~  
8 ~~This evaluation may consider the extent to which California is an~~  
9 ~~element within western energy markets, global energy markets,~~  
10 ~~the existence of appropriate incentives for market participants to~~  
11 ~~provide supplies and for consumers to respond to energy prices,~~  
12 ~~appropriate identification of responsibilities of various market~~  
13 ~~participants, and an assessment of long-term versus short-term~~  
14 ~~market performance. To the extent this evaluation identifies market~~  
15 ~~shortcomings, the commission shall propose market structure~~  
16 ~~changes to improve performance.~~

17 ~~(7) Identification of impending or potential problems or~~  
18 ~~uncertainties in the electricity and natural gas markets, potential~~  
19 ~~options and solutions, and recommendations.~~

20 ~~(8) (A) Compilation and assessment of existing scientific studies~~  
21 ~~that have been performed by persons or entities with expertise and~~  
22 ~~qualifications in the subject of the studies to determine the potential~~  
23 ~~vulnerability to a major disruption due to aging or a major seismic~~  
24 ~~event of large baseload generation facilities, of 1,700 megawatts~~  
25 ~~or greater.~~

26 ~~(B) The assessment specified in subparagraph (A) shall include~~  
27 ~~an analysis of the impact of a major disruption on system reliability,~~  
28 ~~public safety, and the economy.~~

29 ~~(C) The commission may work with other public entities and~~  
30 ~~public agencies, including, but not limited to, the California~~  
31 ~~Independent System Operator, the Public Utilities Commission,~~  
32 ~~the Department of Conservation, and the Seismic Safety~~  
33 ~~Commission as necessary, to gather and analyze the information~~  
34 ~~required by this paragraph.~~

35 ~~(D) Upon completion and publication of the initial review of~~  
36 ~~the information required pursuant to this paragraph, the commission~~  
37 ~~shall perform subsequent updates as new data or new understanding~~  
38 ~~of potential seismic hazards emerge.~~

39 ~~(b) Commencing November 1, 2003, and every two years~~  
40 ~~thereafter, to be included in the integrated energy policy report~~

1 prepared pursuant to Section 25302, the commission shall assess  
2 the current status of the following:

3 (1) The environmental performance of the electric generation  
4 facilities of the state, to include all of the following:

5 (A) Generation facility efficiency.

6 (B) Air emission control technologies in use in operating plants.

7 (C) The extent to which recent resource additions have, and  
8 expected resource additions are likely to, displace or reduce the  
9 operation of existing facilities, including the environmental  
10 consequences of these changes.

11 (2) The geographic distribution of statewide environmental,  
12 efficiency, and socioeconomic benefits and drawbacks of existing  
13 generation facilities, including, but not limited to, the impacts on  
14 natural resources including wildlife habitat, air quality, and water  
15 resources, and the relationship to demographic factors. The  
16 assessment shall describe the socioeconomic and demographic  
17 factors that existed when the facilities were constructed and the  
18 current status of these factors. In addition, the report shall include  
19 how expected or recent resource additions could change the  
20 assessment through displaced or reduced operation of existing  
21 facilities.

22 (e) In the absence of a long-term nuclear waste storage facility,  
23 the commission shall assess the potential state and local costs and  
24 impacts associated with accumulating waste at California's nuclear  
25 powerplants. The commission shall further assess other key policy  
26 and planning issues that will affect the future role of nuclear  
27 powerplants in the state. The commission's assessment shall be  
28 adopted on or before November 1, 2008, and included in the 2008  
29 energy policy review adopted pursuant to subdivision (d) of Section  
30 25302.

31 ~~SEC. 5.~~

32 *SEC. 4.* No reimbursement is required by this act pursuant to  
33 Section 6 of Article XIII B of the California Constitution because  
34 this act provides for offsetting savings to local agencies or school  
35 districts that result in no net costs to the local agencies or school  
36 districts, within the meaning of Section 17556 of the Government  
37 Code.